

March 4, 2011

**Written testimony of Leonard Goldberg, Chief Executive Officer, Pierce Memorial Baptist Home in favor of Governor Malloy's nursing home provider tax recommendation**

Good evening Senator Harp, Representative Walker and members of the Appropriations Committee. My name is Leonard Goldberg. I am Chief Executive Officer of Pierce Memorial Baptist Home located in Brooklyn, Connecticut. Pierce Memorial has provided excellent nursing care to our community for over sixty years. We are a not for profit home recognized by the Center for Medicaid and Medicare for high quality care with a 5 star (highest) rating since its inception.

I am here this evening to ask that the Appropriations Committee to strongly support Governor Malloy's budget recommendation to update and increase the nursing home provider tax to the maximum permitted by federal law. This recommendation will maximize the amount of funds that Connecticut receives from the federal Medicaid program based on the tax that nursing homes pay. In turn, these new revenues will provide badly needed rate relief and some measure of stability for Connecticut nursing homes. This is a rare opportunity to provide a life line to nursing homes at no added cost to the state.

Connecticut nursing homes continue in an extended period of financial distress. Five homes have been placed under state receivership since the beginning of the year and a new bankruptcy was recently announced. This follows a sustained period of nursing home receiverships, bankruptcies, closures, and numerous Medicaid hardship rate relief requests.

There has been no increase in Medicaid rates to nursing homes since 2007. Today, Pierce Home is paid approximately \$42 less than the cost of providing care to a Medicaid resident per day.

The instability caused by the budget-driven policy of inadequate Medicaid reimbursement has reached a critical mass in Connecticut creating concerns about the continued high level of quality care which all facilities wish to provide to their residents thus triggering a lawsuit against the State of Connecticut (CAHCF v. Rell).

Regrettably, the rate-setting policy that encourages facility upgrades (referred to as Fair Rent) in order to provide modern up to date health care buildings and equipment, remains frozen in the budget recommendation. Because of this many nursing home residents are in facilities that average over 40 years old.

Due to the inadequate funding for Medicaid residents, and for capital improvements Pierce Memorial has had to curtail wage increases and capital improvements for two years.

Governor Malloy's nursing home provider tax proposal sets a new direction. Obviously, if we don't take advantage of this no-cost provider tax federal funding opportunity in this budget cycle, we will have lost millions of federal dollars, care will be jeopardized for thousands of frail and elderly residents and thousands of care giving jobs will be lost.

For these reasons, I urge you to adopt Governor Malloy's nursing home provider tax proposal and to work to restore fair rent rate relief in the budget.

Thank you and I would be happy to answer any questions you may have.